

## Connect Asia Newsletter

**Information on trade, economic cooperation and integration in Asia**  
From the GIZ Programme Support for Economic Cooperation in Sub-Regional  
Initiatives in Asia (SCSI)

**Issue No. 12**  
**March 2017**

### Editorial



Dear Reader,

New Year, new challenges, new opportunities, new editor – but still the same, always up to date quarterly newsletter on latest Programme activities and recent developments in regional economic cooperation and integration processes.

Before reviewing the last three months, I would like to take this opportunity to thank my colleague Magnus C.M. Brod on behalf of the whole Programme team for his dedication as longstanding editor of this newsletter. From the beginning until the 11th issue he was never tired of observing the field and was always encouraging everyone in the team for contributions and active participation. With new tasks and challenges as Programme director of SCSI, he decided to hand over the newsletter which he shaped for so long. Therefore, I am very honoured to carry on the editorial of our well established news bulletin and hope to provide our more than 3200 recipients with the same dedication on news and information about Programme activities, recent trends and dates.

Recapitulating our activities of the last three months, it was all about strengthening cooperation with our partners in North and Southeast Asia. We also initiated our support for small and medium-sized enterprises (SMEs) component within the ASEAN-China FTA in our focus countries Viet Nam, Lao PDR, and Cambodia. With a special focus on the export-oriented agricultural sector, successfully overcoming barriers to trade with China can play a crucial role in sustainable economic development in these three countries.

Worldwide 3-4 billion people – especially in rural areas – depend on farming business. Largely a private sector activity often involving small-scale farmers, it shows the potential of combining trade and development with the agricultural sector. Hence, increasing attention is given to trade and the role of the private sector in tackling poverty and development by providing access to markets, services and products. Regional Economic Communities (RECs) with a trade mandate are improving their frameworks to link agricultural production more effectively to regional and global markets. Actors such as the International Customs Organisation (ICO), International Trade Center (ITC), UNESCAP or the WTO provide a number of data and instruments on trade facilitation, sanitary and phyto-sanitary (SPS) standards as well as trade and market access data. It is a main task for RECs and donors alike to support these tools – not only to make them accessible for relevant actors but to also accompany the correct use with respective capacity building. Especially when including the private sector early on trade facilitation measures can be a key instrument to foster regional economic cooperation for sustainable development.

This being said, I would kindly invite you to find out more about our activities during the last months in this newsletter as well as on our website [www.connecting-asia.org](http://www.connecting-asia.org). As always, we are happy to further provide you with our own documentations as well as with selected research and publications of other institutions on recent trends in Asian regionalism.

### Dates and Events

#### 05-06 April 2017

Meeting  
2nd Expert Group Meeting on Documentation, Procedures and Information Technology for Rail-Based Intermodal Transport Services in Northeast and Central Asia  
Incheon, Republic of Korea  
UNESCAP  
[unescap.org/events/...](http://unescap.org/events/...)

#### 06-07 April 2017

Forum  
East Asia Forum  
Berlin, Germany  
OSCE  
[eastforum-berlin.de](http://eastforum-berlin.de)

#### 12-13 April 2017

Workshop  
Cross-Border Trade Facilitation and Single Window Implementation in Northeast Asia  
Vladivostok, Russian Federation  
UNESCAP  
[unescap.org/events/...](http://unescap.org/events/...)

#### 20-21 April 2017

High-Level Dialogue  
Regional Economic Cooperation and Integration for Enhancing Sustainable Development in Asia and the Pacific  
Bangkok, Thailand  
UNESCAP  
[unescap.org/events/...](http://unescap.org/events/...)

#### 25 April 2017

Policy Dialogue  
The Role of Public Finance in Asian Infrastructure Development  
Tokyo, Japan  
ADB, OECD, ERIA  
[adb.org/news/...](http://adb.org/news/...)

#### 04-07 May 2017

Annual Meeting  
Yokohama 2017: 50th Annual Meeting of the Asian Development Bank  
Yokohama, Japan  
ADB  
[adb.org/...](http://adb.org/...)

07-10 May 2017

With the best wishes from the SCSI Team

Florian Miß  
Editor

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## Programme News

### Private Sector Involvement

#### Kick-off of SME Component in Viet Nam, Lao PDR and Cambodia



From 24 February to 03 March 2017 the GIZ SCSI Programme successfully conducted a fact-finding mission to Cambodia, Lao PDR, and Viet Nam (CLV). As part of the mission two workshops on "ACFTA - Recent developments in exporting agricultural goods to China" were held in Hanoi and Phnom Penh.

The ASEAN-China Free Trade Agreement (ACFTA) has since it came into effect in 2010 eliminated a large part of tariffs in the trade with China but stays underutilised. One component of the GIZ SCSI Programme aims to support the private sectors in unlocking the business potentials from regional integration processes with China. Its objective is to enhance the involvement of especially Small and Medium Enterprises (SMEs) from the CLV countries in regional cooperation within exporting agricultural goods to China.

The fact-finding mission and workshops of SCSI were closely coordinated with the respective GIZ country offices in cooperation with GIZ Programmes on site. During meetings with relevant ministerial departments and agencies as well as private sector associations and chambers a number of highly promising areas of intervention were identified.

The workshop in Hanoi was successfully conducted jointly with VIETRADE and brought together more than 40 participants from mainly the private as well as the public sector. Another workshop in Phnom Penh gathered 18 participants from respective Ministries and SME representatives. At both events, GIZ expert Edmund Sim presented on recent legal developments and barriers within ACFTA. In addition, the workshop in Vietnam was supported by an in-depth presentation from VIETRADE.

The gained insights on obstacles to trade for SMEs from the CLV countries will guide the SCSI Programme's work 2017-2019 with its partners on site. For more information about the workshop and access to related documents please visit our website [connecting-asia.org/activities/...](http://connecting-asia.org/activities/)

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### Regional Cooperation

#### MoUs signed with SCSI Programme Partners in PR China and Mongolia



Based on the longstanding cooperation on the topics of regional integration during the SCSI Programme's predecessor phase (2011-2015) and in order to further align the Programme's work with the implementation partners in China and Mongolia, two cooperation agreements have

been signed. During the course of preparatory discussions all involved sides agreed to sign Memoranda of Understanding (MoU) to serve as a foundation for cooperation and to strengthen the Programme's implementation in the partner

07-12 May 2017

Conference  
30th World Ports Conference  
Nusa Dua, Bali, Indonesia  
IAPH  
[iaphbali2017.com](http://iaphbali2017.com)

10-12 May 2017

Forum  
World Economic Forum on ASEAN  
Phnom Penh, Cambodia  
World Economic Forum  
[weforum.org/...](http://weforum.org/...)

20-21 May 2017

Meeting  
APEC Ministers Responsible for Trade Meeting  
Ha Noi, Viet Nam  
APEC  
[apec.org/...](http://apec.org/...)

29 June-01 July 2017

Conference  
6th Regional Conference  
Bishkek, Kyrgyzstan  
CESS, ESCAS  
[centraleurasia.org/...](http://centraleurasia.org/...)

13-15 July 2017

Conference  
13th Annual Conference of the Asia-Pacific Economic Association  
Seoul, Republic of Korea  
APEC  
[apeaweb.org/...](http://apeaweb.org/...)

11-17 September 2017

Meetings  
APEC Small and Medium Enterprises Ministerial Meeting and Related Meetings  
Ho Chi Minh City, Viet Nam  
APEC  
[apec.org/...](http://apec.org/...)

04-08 October 2017

Congress  
FIATA World Congress  
Kuala Lumpur, Malaysia  
FIATA  
[fiata2017.org/...](http://fiata2017.org/...)

05-08 October 2017

Conference  
18th Annual Conference  
Seattle, USA  
CESS, ESCAS  
[centraleurasia.org/...](http://centraleurasia.org/...)

09-12 October 2017

Meetings  
APEC Transportation Ministers Meeting and Related Meetings  
Port Moresby, Papua New Guinea  
APEC  
[apec.org/...](http://apec.org/...)

08-09 November 2017

Meeting  
APEC Ministerial Meeting  
Da Nang, Viet Nam  
APEC

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countries of Mongolia and PR China. A first MoU was signed with the Ministry of Commerce of China in September 2016; a second document with the Mongolian Ministry of Finance was signed recently this March.

According to the Memoranda, which will last until 2019, GIZ's SCSI Programme will strengthen endeavours to support regional integration in Northeast Asia under the framework of the Greater Tumen Initiative (GTI). GIZ has supported GTI as a regional cooperation mechanism since 2010. Both ministries serve as the responsible coordinator for GTI in their respective countries. Hence the partnership between the parties is expected to contribute to better coordination, planning, and implementation of regional cooperation projects including China and Mongolia in Northeast Asia. The SCSI Programme will provide advisory services based on experiences from the European Union's integration process where applicable. The agreements further highlight topics such as trade facilitation, local cross-border cooperation, and knowledge transfer on regional economic communities (RECs).

You can find further information on our work with the GTI at and via our website [connecting-asia.org/activities/...](http://connecting-asia.org/activities/)

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## Recent Trends in Regional Integration and Trade

### United Nations Economic and Social Commission for Asia and the Pacific At UN forum regional leaders agree to expand preferential tariffs to expand trade in Asia and the Pacific

Ministers from countries party to the Asia-Pacific Trade Agreement (APTA) met during the Fourth APTA Ministerial Council. They concluded negotiations that will more than double the number of products under preferential tariff treatment in order to expand trade and boost growth in the region. APTA remains the only operational regional trade agreement linking China and India. APTA includes further: Bangladesh, Lao People's Democratic Republic, Republic of Korea and Sri Lanka. Mongolia has acceded to APTA as a new participating state, pending its national ratification. With China and India as regional drivers, APTA can further help Lao PDR as well as Mongolia within its economic cooperation and integration process.

Access the full article here: [unescap.org/news...](http://unescap.org/news...)

To read more about APTA, which was incepted in 1975 to foster South-South cooperation, please follow the link to this UNESCAP publication [unescap.org/...](http://unescap.org/...) (11,6 KB)

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### World Customs Organization

#### International Customs Day 2017 Data Analysis for Effective Border Management

The WCO is dedicating 2017 to promoting data analysis under the slogan "Data Analysis for Effective Border Management". WCO Members will have the opportunity to showcase their efforts and activities in a sector that is becoming a key element in customs modernisation process: collecting and analysing data. While developments in Information Communication Technology (ICT) and its wider use have made the collection of data and access to open data easier, the real challenge is about making sense of a vast amount of information through proper processing and analysis. Therefore, an improved capacity building of all actors involved is necessary.

Access the website at: [wcoomd.org/...](http://wcoomd.org/...)

### Asian Development Bank

#### Changing Patterns of Trade and Global Value Chains in Postcrisis Asia

This policy brief attempts to explain the export slowdown in developing Asia since the global financial crisis. It is based on an analysis in real terms in relation to real GDP growth for the region and for major economies. The brief suggests that new trading opportunities in the region lie in utilising the emerging role of the People's Republic of China (PRC) in global value chains, as the development of more technologically sophisticated regional value chains in East Asia can propel a new phase of trade growth. Recipient economies of the PRC's labor-intensive GVC production in the region should make greater efforts to improve their investment climate, implement reforms dealing with behind-the-border barriers, upgrade skills, enhance finance for small and medium-sized enterprises (SMEs), and invest in trade-related and digital infrastructure. Greater participation by SMEs in GVCs and services (both commercial and digital

[apec.org/...](http://apec.org/...)

**10-11 November 2017**

Meeting

APEC Economic Leaders Meeting

Da Nang, Viet Nam

APEC

[apec.org/...](http://apec.org/...)

### More on GIZ SCSI Programme

Sub-Regional Initiatives play an increasingly important role in Asia's regional economic cooperation and integration. They help countries to overcome the limitations of domestic markets and foster inclusive development, both by boosting economic growth and by providing the resources for appropriate policies. The GIZ SCSI Programme supports regional stakeholders with the aim to strengthen selected core processes of regional economic cooperation and integration and to contribute to a sustainable and inclusive economic development in the region.

Visit our websites:

[giz.de/scsi/...](http://giz.de/scsi/...)

[connecting-asia.org](http://connecting-asia.org)

### Stay up to date with GIZ SCSI

If you would like to continue receiving regular updates on our Programme activities and further insights on regionalisation processes in Asia, please refer to the GIZ Newsletter mainpage and subscribe [here](#).

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### Publications

The following selection of event documentations and background papers are available:

[Roundtable Meeting: Regional Infrastructure Investment Initiatives](#) (4.3 MB)

[Expert Input: European Experiences of Cross-Border Cooperation](#) (3.1 MB)

[Expert Forum: Asian Regional Integration Revisited](#) (5.1 MB)

Find the publications on our website:

[connecting-asia.org/...](http://connecting-asia.org/...)

services) are also considered potential engines of trade expansion in developing Asia.

Read the full policy paper here: [adb.org/sites/...](http://adb.org/sites/...) (1,39 MB)

#### Asia Society Policy Institute

##### **Charting a Course for Trade and Economic Integration in the Asia-Pacific**

An Independent Commission on Trade Policy established by the Asia Society Policy Institute (ASPI) examines the potential opportunities and challenges of Asia Pacific economic integration processes. In its March 2017 publication the Commission identifies five key developments in trade and investments. These include (1) the emergence of global value chains, (2) the rise of trade in services, (3) the growth of digital commerce especially in the Asia-Pacific region, (4) the linkage between trade and investment agreements, and (5) the increasing engagement of Small and Medium-Sized Enterprises (SMEs) in global trade. The Commission states that regional trade agreements offer the best path forward to liberalise trade, raise standards, and promote broad reforms. Its policy recommendations include the raise of standards of the Regional Comprehensive Economic Partnership (RCEP) as well as the Trans-Pacific Partnership (TPP) Agreement in the Asia-Pacific region.

Access the full report at: [asiasociety.org/...](http://asiasociety.org/...) (2.2 MB)

#### East Asia Forum

##### **Special Feature "Towards Asian Integration"**

East Asia Forum Quarterly dedicated its Volume 9 Nr 1 issue to discuss recent developments in Asian regionalism. The stalemate of the Trans-Pacific Partnership (TPP) and EU disintegration amongst other developments, reflect the challenges of global trade and the backlash by developed polities against impacts of globalisation. While Asian countries find themselves at an economic and political junction that might not seem conducive for further integration, Asia's dynamism has emerged as a vital part of the global economy. Topics of the issue include: institutions behind East Asia's transformation; Asia's position in the global economy assessment of the ASEAN Economic Community; the temporary suspension of the TPP; how Regional Comprehensive Economic Partnership (RCEP) could revive a dead TPP; and how global free trade could be lifted from the "noodle bowl".

Access the publication at: [press-files.anu.edu/...](http://press-files.anu.edu/...) (3.7 MB)

#### Asian Development Bank Institute

##### **Assessment of different Paths Towards an East Asian Economic Community**

An ADBI paper, authored by Christopher Dent, Professor at the University of Leeds, examines the various dimensions of East Asia's regional integration and discusses how this connects to issues of regional economic community-building. It argues that East Asian efforts on this front are occurring at multiple levels in certain parts of the region regarding different sectors or issues. The author assesses, that East Asia's economic regionalisation has become more functionally integrative and regional co-operation agendas in East Asia have increasingly reflected the evolving re-conceptualisation of security. However, Dent recommends advancing East Asian community building now, especially when tensions and conflicts persist in international society. He concludes that isolationism and a withdrawal to 'national interests' is ultimately counter-productive in an increasingly inter-connected world.

Read the full paper here: [adb.org/...](http://adb.org/...) (2.9 MB)

#### Asia-Pacific Economic Cooperation

##### **From Ha Noi to Cusco: SMEs are Best Bet for Inclusive Growth**

This APEC article highlights two cases of entrepreneurs in Vietnam and Peru that demonstrate how small businesses in the Asia-Pacific region are now embracing mobile technology and connectivity in order to trade and grow. Since small and medium enterprises (SMEs) make up more than 95 per cent of businesses in the Asia-Pacific, APEC is pursuing an agenda of modernizing SMEs in the region. The aim is to grow their markets by engaging in activities like mobile banking and digital promotions and thus expand their access to an unprecedented number of potential clients and partners.

Access article here: [apec.org/...](http://apec.org/...)

#### Asian Development Bank

##### **New CAREC Strategy for Overland Transportation**

Central Asian Regional Economic Cooperation (CAREC) countries endorsed The Railway Strategy for CAREC, 2017–2030 at the 15th CAREC Ministerial Conference Islamabad, Pakistan, 26 October 2016. The Strategy serves as a guiding document for the long-term development of currently about 25,000 kilometres of railway corridors in and outside the CAREC region. It is intended to

equip the region's railways to better capture growing export and import activity with the People's Republic of China and Europe, thereby transform the region from being landlocked into being land-linked and contribute to regional economic development. The publication provides an assessment of current needs and challenges, a vision of the railway development as well as a preliminary action plan and implementation strategy including financing and capacity building. Access full report at: [adb.org/...](http://adb.org/)

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